

FOR IMMEDIATE RELEASE

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**STATE FUND OFFERS CREDIT EXTENSION TO POLICYHOLDERS
IMPACTED BY RECENT COLD SNAP**

SAN FRANCISCO (January 23, 2007) – In response to the widespread freezing weather across California, which sent temperatures plunging to the teens, State Compensation Insurance Fund announced today that it will extend credit terms to policyholders who have suffered a financial loss or business disruption.

“State Fund recognizes that the extreme cold weather has caused a significant disruption and hardship for some of our policyholders,” said State Fund President James C. Tudor. “Our offer of credit relief is one way to help ease some of that hardship and help return their businesses to normal operations.”

Last summer, State Fund also extended credit for thousands of policyholders who were adversely impacted by the state’s record high temperatures. The current credit extension is designed to give relief to policyholders involved in farming or other operations particularly hard hit by the freeze.

State Fund will work with employers who were unable to report payroll figures or submit payments as a result of the freeze. Dedicated customer service lines have been established to provide assistance to policyholders. Affected policyholders are encouraged to contact the Customer Service Center at 800-388-0902 to make arrangements for January payroll reports and payments. This program will be offered through a series of newspaper announcements and mailings.

State Fund has approximately 223,000 policyholders. Created by the California Legislature in 1914, State Fund is a nonprofit, self-supporting, fairly competitive public enterprise that guarantees a permanent workers’ compensation insurance marketplace at cost for California employers. State Fund has acted as both a moderating and stabilizing influence on the workers’ compensation market. For more information, please visit www.scif.com.

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